

Project's Operating Revenues & Expenses
City of Fort Madison, Iowa
I-JOBS II Application
Water Main and Booster Station Project

The table below is a projection of the capital cost of the proposed Water Main and Booster Station project. The City's matching funds will consist of a State Revolving Loan (SRF) secured through the Iowa DNR. The terms of this loan include a 30 year amortization at a fixed interest rate of 3%. Residential customers will generate approximately 90% of the revenue needed to satisfy debt service on the principal and interest payment.

The attached City of Fort Madison Water Department Operating Fund illustrates the actual revenue from fiscal years 2006/07, 2007/08, 2008/09, and projected year end 2009/10.

Expenses Regarding Proposed Improvements

| Use of Funds | SRF Loan | Principal & Interest Payment | | | | |
|--|-------------|------------------------------|--------------|--------------|--------------|--------------|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Water Main and Booster Station Project | \$2,085,000 | \$105,485 | \$105,485 | \$105,485 | \$105,485 | \$105,485 |
| | | | | | | |
| Revenue Regarding Proposed Project | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Residential | | \$94,936.50 | \$94,936.50 | \$94,936.50 | \$94,936.50 | \$94,936.50 |
| Other | | \$10,548.50 | \$10,548.50 | \$10,548.50 | \$10,548.50 | \$10,548.50 |
| Total Projected Revenues | | \$105,485.00 | \$105,485.00 | \$105,485.00 | \$105,485.00 | \$105,485.00 |

Assumptions:

- The SRF Loan term and interest rate are 30 years and 3% respectively;
- The SRF Loan will only fund the proposed Water Main and Booster Station
- Debt service revenue will result from increases in water rates
- Approximately 90% of operating revenues come from residential customers.

CITY OF FORT MADISON
ADMINISTRATION RECOMMENDED WORKSHEET
AS OF: JANUARY 31ST, 2010

PAGE:

OPERATING FUND

| | 2006-2007 | 2007-2009 | 2008-2009 | 2009-2010 | | 2010-2011 | | |
|------------------------------|-----------|-----------|-----------|-------------------|-----------------|-----------------------|---------------------|--------------------------------------|
| | ACTUAL | ACTUAL | ACTUAL | CURRENT BUDGET | Y-T-D ACTUAL | PROJECTED YEAR END | REQUESTED BUDGET | ADMINISTRATION RECOMMENDED WORKSP |
| PE ACTIVITIES | | | | | | | | |
| MINISTRATION | | | | | | | | |
| 40900 LOCAL OPTION - SALES | 121,901 | 123,785 | 125,527 | 147,000 | 69,147 | 136,000 | 136,000 | 136,000 |
| TAXES | 121,901 | 123,785 | 125,527 | 147,000 | 69,147 | 136,000 | 136,000 | 136,000 |
| KEY & PROPERTY | | | | | | | | |
| 43000 INTEREST ON DEPOSITS/I | 76,155 | 92,359 | 96,229 | 60,000 | 15,342 | 30,000 | 30,000 | 30,000 |
| 43170 WATER DEPARTMENT RENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| USE OF MONEY & PROPERTY | 76,155 | 92,359 | 96,229 | 60,000 | 15,342 | 30,000 | 30,000 | 30,000 |
| OR SERVICES | | | | | | | | |
| 45000 BILLING | 21,246 | 23,071 | 12,226 | 7,000 | 14,474 | 18,000 | 16,000 | 16,000 |
| 45010 WATER COLLECTIONS | 4,127 | 5,386 | 7,462 | 7,000 | 3,014 | 7,000 | 7,000 | 7,000 |
| 45020 BULK SALES | 2,751 | 1,530 | 4,159 | 2,500 | 5,866 | 2,500 | 2,500 | 2,500 |
| 45030 RESIDENTIAL | 2,540,995 | 2,459,971 | 2,456,601 | 2,836,380 | 1,300,107 | 2,800,000 | 2,800,000 | 2,800,000 |
| 45040 OTHER | 7,741 | 10,550 | 9,710 | 7,000 | 7,355 | 7,000 | 7,000 | 7,000 |
| 45090 MISCELLANEOUS SALES | 44,535 | 17,557 | 7,763 | 17,000 | 4,081 | 12,000 | 15,000 | 15,000 |
| 45400 TURN ONS | 5,895 | 4,630 | 6,932 | 6,000 | 7,662 | 8,000 | 8,000 | 8,000 |
| 45540 FIRE SERVICE CHARGES | 6,442 | 7,022 | 6,522 | 13,500 | 0 | 13,500 | 13,500 | 13,500 |
| CHARGES FOR SERVICES | 2,633,732 | 2,529,717 | 2,511,374 | 2,896,380 | 1,342,578 | 2,868,000 | 2,869,000 | 2,869,000 |
| DUS REVENUES | | | | | | | | |
| 47100 REIMBURSEMENTS | 10,896 | 18,514 | 5,812 | 10,000 | 5,968 | 12,000 | 12,000 | 12,000 |
| 47970 APPROPRIATED FUND BALA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS REVENUES | 10,896 | 18,514 | 5,812 | 10,000 | 5,968 | 12,000 | 12,000 | 12,000 |
| ICING SOURCES | | | | | | | | |
| 48460 TRANSFER FROM WATER CA | 0 | 0 | 0 | 0 | 0 | 0 | 22,730 | 8,730 |
| 48502 TRANSFER FROM CAP RES | 0 | 0 | 14,500 | 0 | 0 | 0 | 0 | 0 |
| OTHER FINANCING SOURCES | 0 | 0 | 14,500 | 0 | 0 | 0 | 22,730 | 8,730 |
| ADMINISTRATION | 2,842,683 | 2,764,375 | 2,753,443 | 3,113,380 | 1,433,035 | 3,046,000 | 3,069,730 | 3,055,730 |
| S TYPE ACTIVITIES | 2,842,683 | 2,764,375 | 2,753,443 | 3,113,380 | 1,433,035 | 3,046,000 | 3,069,730 | 3,055,730 |
| | 2,842,683 | 2,764,375 | 2,753,443 | 3,113,380 | 1,433,035 | 3,046,000 | 3,069,730 | 3,055,730 |

WASTE
WATER
SCHEDULE
BOND

**CITY OF FORT MADISON
DEPARTMENT BUDGET SUMMARY
FISCAL YEAR 2010-11**

| DEPARTMENT | | DIVISION | | CODE # | |
|---------------------------------|----------------------------|-----------------------------|--|--|-----------------------------|
| Water | | TOTAL ALL DEPTS | | TOTAL | |
| | Actual Expend 2008-2009 | Adopted Budget 2009-2010 | Dept. HD Proposed Budget 2010-2011 | Manager Recomm. Budget 2010-2011 | Adopted Budget 2010-2011 |
| SALARIES & WAGES | | | | \$ 622,120.00 | |
| EMP. BENEFITS & COST | | | | \$ 341,520.00 | |
| STAFF DEVELOPMENT | | | | \$ 13,820.00 | |
| REPAIR & MAINT. & UTILITY | | | | \$ 295,600.00 | |
| CONTRACTUAL SERVICES | | | | \$ 303,950.00 | |
| COMMODITIES | | | | \$ 404,400.00 | |
| CAP. OUTLAY | | | | \$ 124,400.00 | |
| TRANSFERS | | | | \$ 949,920.00 | |
| TOTAL | | | | \$ 3,055,730.00 | \$0 |
| FT. POSITIONS | 3 | 3 | 3 | 15 | |
| PT. POSITIONS | 1 | 1 | 1 | 1 | |

ACTIVITY DESCRIPTION *Water Administration and Customer Services is responsible for the supervision and direction of all activities in the Water Department including the review of operations and methods of planning future water system developments and financial planning. This division also is responsible for customer billing and collection services which includes processing bills, updating accounts, providing customers service and information, and transmitting information to distribution concerning installing and exchanging water meters. This division is also responsible for customer billing and collecting services for garbage, sewer, and waste management.*

ACTIVITY GOAL

To efficiently and effectively coordinate all divisions within the water department as they relate to customer services.

ACTIVITY OBJECTIVES

To reduce the number of billing complaints by monitoring all meter readings before billing.

To respond to all customers complaints within 24 hours after receipt.

To upgrade the meter reading procedures as to increase the number of meter reads per day and to obtain an error percentage of less than 5 percent.